



Brand Keys

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## Coronavirus, George Floyd Protests and the Post Office All Fuel Increased Consumer Expectations

### What Consumers Want Is More. 37% More YOY

**NEW YORK, NY June 2, 2020** – Consumer expectations – a key determinant of brand loyalty and profitability – have increased 37% YOY, according to a new study by Brand Keys ([www.brandkeys.com](http://www.brandkeys.com)), the New York-based brand loyalty and customer engagement consultancy.

“How well brands meet expectations consumers hold for path-to-purchase loyalty drivers ultimately determines the success or failure of marketing efforts,” noted Robert Passikoff, Brand Keys founder and president. “Expectations are just that; consumer hopes, dreams, and possibilities. Brands that best meet those expectations are *always* the category leaders.”

### Covid-19, George Floyd Death, Impacts Consumers’ Expectations of Brands

Expectation growth is the result of a variety of consumer experiences, most recently consumer expectations have been fanned by events related to the coronavirus – fear of the illness itself, unemployment, social-distancing, as well as expectations for a vaccine and a return to normalcy. The killing of George Floyd has incited expectations related to equality, racism, and police brutality, as well as instigating demonstrations and violence. “None of that remains separate and apart and expectation-growth spills over into other categories,” said Passikoff.

### 13 Categories With Largest Expectation Growth

“All key brand categories have seen significant increases in expectations,” noted Passikoff, “Some more than others, some more evident than others, and some more connected to recent events than others. The top 13 categories included:

1. Pharmaceutical Companies and Pharmacies (+61% each)
2. Household Cleaning Products (+59%)
3. Health & Hygiene Products (+57%)
4. Self Defense and Personal Safety Products (+54% each)
5. Video Games and Streaming Video (+50% each)
6. Supermarkets (+49%)
7. Video and Web Conferencing (+45%)
8. Mail/Package Delivery Services (+44%)
9. Online/Mobile Food Ordering (+42%)
10. Exercise Equipment (+39%)

### **How The Post Office Caused Expectation Increases**

Surging e-commerce volume during the COVID-19 crisis, combined with USPS staffing shortages, have strained the postal system's delivery services and have delayed some deliveries. "Telling consumers that 'Delivery times may be longer than normal' is a highly rational message," noted Passikoff, "But consumers have come to expect free, next-day delivery for virtually everything; the key terms being: 'next-day' and 'free' and on-time delivery has declined over the past month."

### **Expectations Travel At The Speed of the Consumer**

The reality is more problematic. Consumer expectations increase much faster than brands are generally able to keep up. On average, looking at 1,002 brands in B2C, B2B, and D2C categories, Brand Keys estimates a customary consumer-expectation increase of 25 percent annually. Brands manage, on average, to keep up with those expectations at just seven percent. That leaves a huge gap between what consumers demand and how they see brands delivering. "Brands able to fill consumer expectation gaps always see better behavior toward them and, axiomatically, higher sales and profits," said Passikoff.

### **Expectations Spread Like An Oil Spill: COVID-19 and Race Discrimination**

Categories are not insulated when it comes to expectations. "It's like an oil spill," explained Passikoff. "It doesn't stay in one spot, but spreads. Heavier in one area than another perhaps, but no place is ultimately left unaffected."

Expectations – which are mostly associated with emotional values – are not something easily explained away," said Passikoff, "Even elite brands will have a hard time keeping up with an average annual expectation increase of 37 percent."

### **Methodology**

For the current expectations survey, 3,562 consumers, 16 to 65 years of age from the nine US Census Regions participated.

Brand Keys uses an independently-validated research methodology that fuses emotional and rational aspects of the categories, identifies four category-specific path-to-purchase behavioral loyalty drivers for the category-specific Ideal, and identifies expectations consumers hold for each. Brand Keys' research technique is a combination of psychological inquiry and statistical analyses, has a test/re-test reliability of 0.93, and produces results generalizable at the 95% confidence level. It has been successfully used in B2B, B2C, and D2C categories in 35 countries.

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